

United States Senate

WASHINGTON, DC 20510

July 13, 2007

The President
The White House
Washington DC 20500

Dear Mr. President:

The FY2007 Continuing Resolution (PL 110-5) provided \$181.17 million in Low-Income Home Energy Assistance Program (LIHEAP) contingency fund, increasing its balance to \$201.52 million. We strongly urge you to release LIHEAP contingency funds to help low-income seniors and families address their energy burden, especially given this week's national heat wave.

The National Energy Assistance Directors' Association (NEADA) recently completed a national survey of utility arrearages and shutoffs. The survey found that millions of low-income households this year are facing a severe hardship paying arrearages from last winter's heating bills, coping with impending and actual shutoff of service, and meeting rising air conditioning costs. The survey estimates that at least 1.2 million households have been disconnected from electric and natural gas service during the March through May period following the expiration of state shutoff moratoriums. This is a conservative estimate as the level of shutoffs is likely to go higher as utilities complete credit and collection procedures.

According to the Energy Information Administration (EIA), U.S. residential electricity prices are expected to increase at a rate of 3 percent during 2007. States undergoing market restructuring continue to experience more rapid price increases as rate caps expire and higher fuel costs are passed through to consumers. In some instances, customers may see rate increases of up to 50 percent.

Low-income Americans experience a much higher energy burden than the average American household. On top of rising home energy costs, prices at the pump are placing an additional burden on low-income Americans this summer. Gasoline prices have reached their highest level ever and are projected by EIA to average 21 cents higher than last summer. Too many of these households face difficult financial choices trying to meet basic human necessities on an income that simply won't stretch far enough to cover it all. No family in our nation should be forced to choose between paying a home energy bill and putting food on the table for themselves and their children. No senior citizen should have to decide between buying life-saving prescriptions and paying utility bills. For individuals and households that may have to face these difficult choices, LIHEAP makes a real difference in their ability to cope with adverse circumstances.

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We request the federal government release funding from the LIHEAP contingency fund to help low-income seniors and families with their home energy expenses. Releasing this money now will not solve the problem fully, but it will certainly help.

Sincerely,

Senator Jack Reed

Senator Susan M. Collins

Senator Edward M. Kennedy

Senator Christopher J. Dodd

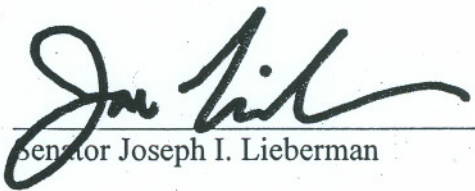


Senator Tom Harkin



Senator Arlen Specter

Senator Olympia J. Snowe



Senator Joseph I. Lieberman



Senator Jeff Bingaman



Senator George V. Voinovich

Senator Richard J. Durbin

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